MOTION FILED
NOV 16 1989

(5)

No. 88-2102

In The

Supreme Court of the United States

October Term, 1988

JAMES STEWART, PATRICIA HITCHCOCK O'CONNELL and SAMUEL TAYLOR both as co-trustees of the Second Residuary Trust of the Last Will of ALFRED HITCHCOCK, MCA INC., and UNIVERSAL FILM EXCHANGES, INC.

Petitioners,

vs.

SHELDON ABEND, dba AUTHORS RESEARCH COMPANY,

Respondent.

MOTION AND BRIEF *AMICUS CURIAE* SUBMITTED BY COLUMBIA PICTURES INDUSTRIES, INC., MGM/UA COMMUNICATIONS CO., ORION PICTURES CORPORATION, PARAMOUNT PICTURES CORPORATION, TURNER ENTERTAINMENT CO., TWENTIETH CENTURY FOX FILM CORPORATION AND WARNER BROS. INC. IN SUPPORT OF PETITIONERS

STEPHEN A. KROFT
(Counsel of Record)
KELLY W. KAY
9601 Wilshire Boulevard
Fourth Floor
Beverly Hills, CA 90210
213/858-7700
Attorneys for Amici Curiae

Of Counsel
Rosenfeld, Meyer & Susman

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

40 pp

No. 88-2102

In The

Supreme Court of the United States

October Term, 1988

JAMES STEWART, PATRICIA HITCHCOCK O'CONNELL and SAMUEL TAYLOR both as co-trustees of the Second Residuary Trust of the Last Will of ALFRED HITCHCOCK, MCA INC., and UNIVERSAL FILM EXCHANGES, INC.

Petitioners,

vs.

SHELDON ABEND, dba AUTHORS RESEARCH COMPANY,

Respondent.

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE SUBMITTED BY COLUMBIA PICTURES INDUSTRIES, INC., MGM/UA COMMUNICATIONS CO., ORION PICTURES CORPORATION, PARAMOUNT PICTURES CORPORATION, TURNER ENTERTAINMENT CO., TWENTIETH CENTURY FOX FILM CORPORATION AND WARNER BROS. INC.

Columbia Pictures Industries, Inc., MGM/UA Communications Co., Orion Pictures Corporation, Paramount

Pictures Corporation, Turner Entertainment Co., Twentieth Century Fox Film Corporation and Warner Bros. Inc. (hereinafter "*amici*") respectfully move for leave to file the attached brief *amicus curiae* in support of petitioners. Petitioners have consented to the filing of the brief. Respondent, however, has declined to consent.[1]

As producers, financers, and distributors of motion pictures, *amici* each own large film libraries that include copyrighted motion pictures which are based in part on other copyrighted works – such as novels, plays and short stories (hereinafter "underlying works") – that are subject to the same statutory copyright renewal provisions as those that the Court must construe in this case. Like REAR WINDOW, these motion pictures (hereinafter "derivative motion pictures") were produced and copyrighted under written licenses from the authors of the underlying works. Moreover, hundreds – if not thousands – of these derivative motion pictures were based, as was REAR WINDOW, on underlying works whose authors (*i.e.*, *amici's* licensors) died before commencement of the underlying works' renewal copyright terms.[2]

---

[1] Respondent consented to *amici's* filing of a brief in support of the petition for writ of certiorari. His apparent reason for withholding consent to *amici's* filing a brief on the merits is his erroneous belief that *amici* have nothing further to contribute to this Court's consideration of the issues raised by the petition.

[2] Respondent estimates that there are approximately 600 such motion pictures. Appellant's Opening Brief at 4. *Amici* believe that the actual number may be much higher.

In reliance both on their licenses from the underlying works' authors, and on the Second Circuit's opinion in *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484, *cert. denied*, 431 U.S. 939 (1977), *amici* for many years have distributed their derivative motion pictures to the public during the underlying works' renewal copyright terms, without having obtained new licenses from the owners of the underlying works' renewal copyrights. Nevertheless, the Ninth Circuit's opinion holds – in direct conflict with *Rohauer* – that *amici* may no longer continue to distribute these derivative motion pictures without infringing the renewal copyrights in the underlying works. This Court's resolution of the conflict between *Rohauer* and the Ninth Circuit's decision in this case is thus vital both to *amici's* rights to continue distributing these motion pictures and to the public's interest in having continued access to these films.

Amici believe that their experience in producing, financing, distributing and copyrighting motion pictures, including derivative motion pictures such as REAR WINDOW, affords them a unique and valuable perspective on the legal and practical issues presented by the petition, particularly the policy issues pertinent to a proper construction of the copyright statute.[3] This experience and perspective, *amici* believe, will enable them to bring before the Court a focused analysis of legal arguments,

---

[3] As this Court frequently has noted, the copyright statute must be construed consistently with its underlying policies of promoting broad public availability of artistic works, stimulating creativity and rewarding authors for their labors. *See, e.g.*, *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

industrial practices, and economic and policy-related considerations which will contribute to the Court's deliberation and resolution of the issues raised in the petition.[4]

For all of the foregoing reasons, *amici* respectfully request that the Court grant this motion and permit them to file the attached brief as *amici curiae*.

DATED: November 16, 1989

Respectfully submitted,

STEPHEN A. KROFT
(Counsel of Record)
KELLY W. KAY

Attorneys for Columbia Pictures Industries, Inc., MGM/UA Communications Co., Orion Pictures Corporation, Paramount Pictures Corporation, Turner Entertainment Co., Twentieth Century Fox Film Corporation and Warner Bros. Inc.

Of Counsel
Rosenfeld, Meyer & Susman

---

[4] Respondent is neither an author nor a motion picture producer or distributor and, hence, he is not as well situated as *amici* to present an analysis of these important matters to the Court. Moreover, Petitioners' Brief understandably devotes far more attention to the facts of this particular litigation than it does to the broader practical and policy considerations, addressed by *amici*, that are so crucial to this Court's construction of the statutory provisions involved in the case.

TABLE OF CONTENTS

Page

MOTION i

PREFATORY STATEMENT 1

INTERESTS OF *AMICI* 2

BACKGROUND FACTS 4

A. The Historical, Creative And Economic Significance Of *Amici's* Film Libraries 4

B. For The Past Twelve Years, *Amici* Have Distributed Hundreds Of Their Derivative Motion Pictures In Reliance On *Rohauer* 5

C. *Abend's* Inevitable Prejudicial Effects 6

D. The Proceedings Below 7

SUMMARY OF ARGUMENT 8

ARGUMENT 12

I. SECTION 7 OF THE 1909 ACT CONFERS THE SAME EXCLUSIVE RIGHTS ON COPYRIGHTED DERIVATIVE WORKS AS IT CONFERS ON ALL OTHER COPYRIGHTED WORKS. THE NINTH CIRCUIT ERRED IN CONCLUDING THAT THE SECOND PROVISO OF SECTION 24 LIMITS THOSE RIGHTS 12

A. The Statutory Language Of Sections 7 And 24 Compels The Result In *Rohauer*, Whereas The Ninth Circuit's Decision In *Abend* Directly Conflicts With The Statutory Language 12

B. The Second Proviso Of Section 24 Does Not Support The Ninth Circuit's Construction Of The 1909 Act 16

TABLE OF CONTENTS – Continued

Page

II. *ROHAUER'S* STATUTORY CONSTRUCTION PROMOTES THE POLICIES OF THE 1909 ACT, WHEREAS *ABEND'S* INTERPRETATION OF THE STATUTE DEFEATS THOSE POLICIES 17

A. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Fundamental Policy Of Insuring Broad Public Availability Of Copyrighted Works 18

B. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Important Policy Of Stimulating Artistic Creativity 22

C. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Policy Of Rewarding Authors For Their Creative Efforts 23

III. THIS COURT'S DECISION IN *MILLER MUSIC CORP. V. CHARLES N. DANIELS, INC.* DOES NOT SUPPORT THE NINTH CIRCUIT'S INTERPRETATION OF THE 1909 ACT..... 24

IV. THE LEGISLATIVE HISTORY OF SECTION 24 DOES NOT SUPPORT THE NINTH CIRCUIT'S PURPORTED CONSTRUCTION OF THAT SECTION 27

CONCLUSION 30

TABLE OF AUTHORITIES

Page

CASES

Abend v. MCA, Inc., 863 F.2d 1465 (9th Cir. 1988) . . . *passim*

Cohen v. Paramount Pictures Corp., 845 F.2d 851 (9th Cir. 1988) 20

Community For Creative Non-Violence v. Reid, 109 S.Ct. 2166 (1989)..... 20

Filmvideo Releasing Corp. v. Hastings, 668 F.2d 91 (2d Cir. 1981) 15

Fox Film Corporation v. Doyal, 286 U.S. 123 (1932) 21

G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951) 15

Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373 (1960) 10, 11, 17, 24, 25, 26

Mills Music, Inc. v. Snyder, 469 U.S. 153 (1985) 5, 6, 7, 19, 22

Richards v. United States, 369 U.S. 1 (1962)..... 17

Rohauer v. Killiam Shows, Inc., 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977)..... *passim*

Russell v. Price, 612 F.2d 1123 (9th Cir. 1979), *cert. denied*, 446 U.S. 952 (1980).....15

Twentieth Century Music Corp. v. Aiken, 422 U.S. 151 (1975).....17, 18, 19

U.S. v. Southwestern Cable Co., 392 U.S. 157 (1968) 30

TABLE OF AUTHORITIES – Continued

Page

CONSTITUTION

United States Constitution, Art. I, § 8 17

STATUTES

Copyright Act of 1909, Pub. L. No. 60-349, Ch. 320, 35 Stat. 1075, 17 U.S.C. §§ 1 *et seq.* (superseded 1978) ..... *passim*

General Revision of Copyright Law, Pub. L. No. 94-553, 90 Stat. 2541, 17 U.S.C. §§ 101 *et seq.* (1976) 2

17 U.S.C. § 1(a) 13

17 U.S.C. § 1(d) 13

17 U.S.C. § 3 15

17 U.S.C. § 7 ..... *passim*

17 U.S.C. § 10 28

17 U.S.C. § 24 ..... *passim*

17 U.S.C. § 103(b) 15

17 U.S.C. § 304(a) and (b) 2, 7, 13, 20

17 U.S.C. § 503 21

17 U.S.C. § 505 21

TREATISES

1 M. & D. Nimmer, *Nimmer on Copyright*, § 3.04 (1988) 15

1 M. & D. Nimmer, *Nimmer on Copyright*, § 3.07[C] at 3-36-3-38 (1988) 28

TABLE OF AUTHORITIES – Continued

Page

2 M. & D. Nimmer, *Nimmer on Copyright*, § 9.03[B] at 9-33 27

2 M. & D. Nimmer, *Nimmer on Copyright*, § 9.03[B] at 9-36 (1988) 28

3 M. & D. Nimmer, *Nimmer on Copyright*, § 17.10[B][2] (1988) 19

MISCELLANEOUS

Abend v. MCA, Copyright L. J., Feb. 1989 14

Bricker, *Renewal and Extension of Copyright*, 29 S. Cal. L. Rev. 23 (1955) 20

International Motion Picture Almanac 15 35A (58th ed. 1986) 4

Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights and The Public Interest*, 28 UCLA L. Rev. 715, 740 (1981) 7

Kaplan, B., *An Unhurried View of Copyright* 112 (1969) 14

Kupferman, *Renewal of Copyright – Section 23 of the Copyright Act of 1909*, 44 Colum. L. Rev. 712, 724 (1944) 14

MCA Loses Legal Ground In "Rear Window" Dispute, Daily Variety, Dec. 28, 1988 3

Nevins, *Rx for Copyright Death*, 1977 Wash. U.L.Q. 601 ..... 18, 20

Note, *Renewal Rights, A Statutory Anachronism*, 10 W. Reserve L. Rev. 263, 272 (1959) 14

Pic Budgets Reach For The Sky, Daily Variety, June 28, 1989 4

Spring, S., *Risks & Rights* 95 (1956) 14

No. 88-2102

In The

Supreme Court of the United States

October Term, 1988

JAMES STEWART, PATRICIA HITCHCOCK O'CONNELL and SAMUEL TAYLOR both as co-trustees of the Second Residuary Trust of the Last Will of ALFRED HITCHCOCK, MCA INC., and UNIVERSAL FILM EXCHANGES, INC.

Petitioners,

vs.

SHELDON ABEND, dba AUTHORS RESEARCH COMPANY,

Respondent.

BRIEF *AMICUS CURIAE* SUBMITTED BY COLUMBIA PICTURES INDUSTRIES, INC., MGM/UA COMMUNICATIONS CO., ORION PICTURES CORPORATION, PARAMOUNT PICTURES CORPORATION, TURNER ENTERTAINMENT CO., TWENTIETH CENTURY FOX FILM CORPORATION AND WARNER BROS. INC. IN SUPPORT OF PETITIONERS

PREFATORY STATEMENT

This brief is submitted in support of petitioners by *amici curiae* Columbia Pictures Industries, Inc., MGM/UA Communications Co., Orion Pictures Corporation,

Paramount Pictures Corporation, Turner Entertainment Co., Twentieth Century Fox Film Corporation and Warner Bros. Inc. The decision below, *Abend v. MCA, Inc.*, 863 F.2d 1465 (9th Cir. 1988) (*"Abend"*), irreconcilably conflicts with *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 939 (1977) (*"Rohauer"*), on a copyright issue of national importance. To resolve that conflict, *amici* respectfully urge the Court to reverse *Abend* and to uphold the Second Circuit's well-reasoned decision in *Rohauer*.

INTERESTS OF *AMICI*

All *amici* (except Turner Entertainment Co.) produce, or finance production of, motion pictures which they distribute for exhibition throughout the world.[1] As a result of their many years in the motion picture industry, moreover, *amici* each own large libraries of copyrighted motion pictures which they also distribute worldwide.

Many of *amici's* motion pictures are based, in part, on copyrighted literary works such as novels, plays and short stories (hereinafter "underlying works") that are subject to the same statutory copyright renewal provisions as those at issue in this case.[2] These motion pictures (hereinafter "derivative motion pictures") were

[1] Turner Entertainment Co.'s sole business is the distribution of such motion pictures.

[2] The Ninth Circuit's opinion in *Abend* involves the renewal provisions contained in the second proviso of section 24 of the Copyright Act of 1909, Pub. L. No. 60-349, ch. 320, 35 Stat. 1075, 17 U.S.C. §§ 1 *et seq.* (superseded 1978) (hereinafter "1909 Act"). These provisions were reincorporated *verbatim* into section 304(a) of the General Revision of Copyright Law, Pub. L. No. 94-553, 90 Stat. 2541, 17 U.S.C. §§ 101 *et seq.* (1976) (hereinafter "1976 Act"). Section 304(a) applies to all works that were in their first copyright term as of January 1, 1978.

produced, and are currently being distributed, under written assignments or licenses (hereinafter collectively "licenses") from the underlying works' authors. In most cases, these licenses granted *amici* or their predecessors the right to distribute and exhibit the motion pictures during both the original and renewal terms of the copyrights in the underlying works.

Hundreds – if not thousands – of these derivative motion pictures were based on underlying works whose authors (*i.e., amici's* licensors) died before the renewal terms of those underlying works.[3] *Rohauer* permits – but *Abend* prohibits – *amici's* continued distribution of these derivative motion pictures during the underlying works' renewal terms. This Court's resolution of the conflict between *Rohauer* and *Abend* is thus vital to *amici's* rights to continue distributing these copyrighted motion pictures and to the public's interest in having continued access to these films.[4]

[3] The exact number of *amici's* derivative motion pictures now in distribution which are based on underlying works whose authors died before commencement of the renewal terms in those works is not currently known. Respondent, however, estimates that approximately *600* motion pictures fall into this category. Appellant's Opening Brief ("AOB") at 4. *See also MCA Loses Legal Ground in "Rear Window" Dispute*, Daily Variety, Dec. 28, 1988 at 1, 2 ("Attorneys for Abend say 'hundreds and hundreds' of films fall into a similar copyright situation . . . "). *Amici* believe that the actual number may be much higher.

[4] The impact of the Ninth Circuit's *Abend* opinion is not limited to motion pictures that are based upon, or incorporate, separately copyrighted *short stories* like Cornell Woolrich's "It Had To Be Murder." Motion pictures frequently incorporate numerous copyrighted works in addition to copyrighted short

(Continued on following page)

BACKGROUND FACTS

A. The Historical, Creative And Economic Significance Of *Amici's* Film Libraries

As noted above, *amici* own large libraries of copyrighted motion pictures. These motion pictures include film classics representing virtually every genre and era of American film, from the silent films of the early 1900's to the sci-fi/special effects films of the 1980's, and represent the best – and in several cases the only – works of legendary motion picture directors such as D.W. Griffith, Cecil B. DeMille and John Ford, motion picture screen writers such as Lillian Hellman, Frank Capra and Billy Wilder and motion picture actors and actresses such as Lon Chaney, Mary Pickford, Lillian Gish and John Barrymore.

Amici's motion pictures also represent massive economic investments. In 1941 the average cost to produce a feature length motion picture was $400,000[5]; in 1949 it exceeded $1,000,000[6]; by 1972 it had risen to $1,890,000[7]; and, today *amici's* average production costs are $17,000,000 per picture.[8]

(Continued from previous page)

stories, including, for example, musical compositions, sound recordings, paintings, photographs, sculpture and famous characters from literature and comic books. *Abend* permits the owner of the renewal copyright in *any* of these underlying works whose author died before commencement of the renewal term to enjoin, and to recover huge monetary awards for, continued distribution of these motion pictures.

[5] *International Motion Picture Almanac* at 36A (58th ed. 1986).

[6] *Id.*

[7] *Id.*

[8] *Pic Budgets Reach for the Sky*, Daily Variety, June 28, 1989 at 1.

The films in *amici's* libraries transcend merely historical interest. Indeed, the public has demonstrated a strong and continuing desire to view these films. *Amici* have thus frequently made motion pictures from their libraries available for exhibition in theaters, on television and on home video cassettes and video discs.

B. For The Past Twelve Years, *Amici* Have Distributed Hundreds Of Their Derivative Motion Pictures In Reliance On *Rohauer*

As noted above, many of *amici's* motion pictures are derivative works that were produced under licenses from authors of underlying material. These licenses expressly granted *amici* (or their predecessors) the right both to produce their derivative motion pictures and to distribute them during both the original and renewal terms of the underlying works. On January 7, 1977, in a significant case of first impression, *Rohauer* held that the owners of derivative motion pictures produced under such licenses may distribute them during the underlying works' renewal copyright terms even where the authors of those underlying works died before commencement of such renewal terms. In so holding, *Rohauer* expressly rejected the argument, accepted by the Ninth Circuit in this case, that such distribution may continue during an underlying work's renewal term only if the derivative motion picture owner purchases a new license from the current owner of the renewal copyright in the underlying work.[9]

In the twelve years since the *Rohauer* decision, *amici* and many others have distributed hundreds of derivative

---

[9] Prior to the *Rohauer* decision, there were conflicting "beliefs" and "understandings", but no definitive ruling, "regarding whether the law allowed a derivative-work owner to utilize the work after the expiration of the underlying copyright or whether the law prohibited all utilization of the derivative work." *See Mills Music, Inc. v. Snyder*, 469 U.S. 153, 176-77 n.45 (1985); *see also id.* at 183 n.7 (White J., dissenting).

motion pictures produced under licenses from authors of underlying works who died before commencement of the renewal copyright term in those works. Moreover, they have done so, relying on *Rohauer, without* obtaining new licenses from the current owners of the underlying works' renewal copyrights. This reliance was well-placed: *Rohauer* stood as the only ruling during this entire twelve year period on the issue whether an author's death before the renewal term of his underlying work nullifies the rights of persons like *amici* to exploit during the renewal term separately copyrighted derivative works produced with the deceased author's consent.[10] *Abend*, however, now brands as infringements the longstanding distribution activities undertaken by *amici* in reliance on *Rohauer* and exposes *amici* and many others to enormous potential liability under the Copyright Act.

C. *Abend's* Inevitable Prejudicial Effects.

The Ninth Circuit's opinion in *Abend* does more than merely threaten *amici* and other motion picture owners with liability for the *past* distribution of derivative motion pictures based on underlying works whose authors died before their renewal copyright terms. If allowed to stand, *Abend* will also snuff out *future* distribution and exhibition to the American public of these and many other derivative motion pictures. For, under the Ninth Circuit's interpretation of the 1909 Act, *amici* will be forced to withdraw such derivative motion pictures from distribution in order to avoid continuing liability for

[10] Indeed, eight years after the Second Circuit's decision in *Rohauer*, four members of this Court correctly characterized the holding of *Rohauer* as the "prevail[ing]" view. *Mills Music*, 469 U.S. at 183 n.7 (White, J., dissenting). The majority in *Mills Music* did not disagree with this characterization.

copyright infringement.[11] This inevitable result will not only deprive *amici* of significant economic returns on their motion picture investments, but it will also deprive the American public of continuing access to countless classic films.[12]

D. The Proceedings Below.

Respondent brought this copyright infringement action to enjoin petitioners' continued distribution of the classic 1954 Alfred Hitchcock motion picture entitled "REAR WINDOW," starring James Stewart and Grace

[11] Indeed, this is exactly what happened before the Second Circuit decided *Rohauer*. Prior to *Rohauer, amici* removed several of their highly successful motion pictures from distribution because they were concerned about the uncertain outcome of potential infringement actions by owners of renewal copyrights in underlying works. *See Mills Music*, 469 U.S. at 183-84 & n.8 (White, J., dissenting). These included "THANKS FOR THE MEMORY" (starring Bob Hope), "YOU CAN'T TAKE IT WITH YOU" (Starring Lionel Barrymore and James Stewart), "THE MAN WHO CAME TO DINNER" (starring Monty Woolley) and many others. *Id.*; Jaszi, *When Works Collide: Derivative Motion Pictures Underlying Rights and the Public Interest*, 28 UCLA L. Rev. 715, 740 (1981).

[12] The Ninth Circuit's opinion will affect not only derivative motion pictures created before January 1, 1978 (the date the 1909 Act expired) but also derivative motion pictures created well into the next century. As noted above (note 2, *supra*), section 304(a) of the 1976 Act preserves the 1909 Act's two-tier renewal system for all works that were in their initial copyright term as of January 1, 1978. (See Pet. App. 29). The ultimate owners of the renewal copyrights in these works will not be known until twenty-eight years after commencement of their initial copyright terms, which in many cases will not be until the year 2005. The Ninth Circuit's interpretation of the 1909 Act will thus apply to motion pictures produced by *amici* through the year 2005 that are based on underlying works copyrighted before 1978.

Kelly ("the motion picture"), and to recover petitioners' profits from the 1983 re-release of the motion picture. (Pet. App. 4-5, 32-36). The evidence establishes that: (a) the motion picture was based in part on a copyrighted short story by Cornell Woolrich ("the short story") pursuant to a written license from Woolrich which granted the right to distribute the motion picture during the terms of both the original and renewal copyrights in the short story (Pet. App. 3-4); (b) Woolrich died unmarried and without children before the short story's renewal copyright term began (Pet. App. 4)[13]; (c) Woolrich's executor obtained a renewal copyright for the short story after Woolrich's death and in 1971 conveyed it to Abend for $650 (Brief for Petitioners ("Br. for Pet.") at 6); (d) in 1982 petitioners renewed the copyright in the motion picture (Pet. App. 44); and (e) petitioners thereafter re-released the motion picture for public distribution and exhibition in reliance on (i) their written license from Woolrich, (ii) their renewal copyright in the motion picture and (iii) the *Rohauer* opinion. (Pet. App. 5). Finding these facts virtually identical to the material facts in *Rohauer*, the District Court, following *Rohauer*, granted summary judgment to petitioners. A divided panel of the Ninth Circuit, finding the reasoning of *Rohauer* unpersuasive, reversed.[14] A petition for rehearing was denied, and the petition for writ of certiorari followed.

SUMMARY OF ARGUMENT

Section 7 of the 1909 Act grants a separate and independent copyright to a derivative work created with the

---

[13] Because Woolrich left neither a widow nor a surviving child, the right to renew the short story's copyright vested in Woolrich's executor. 17 U.S.C. § 24 (1909).

[14] The Ninth Circuit also rejected petitioners' fair use defense. (Pet. App. 36-40). This brief does not discuss the fair use issue.

consent of the author of an underlying work during the underlying work's initial term. This copyright bestows upon the derivative work owner the same right to exploit his work for two consecutive twenty-eight year terms as is granted to all other copyright owners. Section 7 does not limit in any way the right of a derivative work owner to exploit his work throughout these two consecutive terms.

Despite the fact that section 7 confers on derivative works all rights of "copyright under the provisions of this title", the Ninth Circuit held that these rights terminate upon expiration of the original copyright term in any underlying work whose author dies before commencement of the underlying work's renewal term. This statutory interpretation ignores the clear language of section 7 and fails to give effect to Congress' intent, reflected in section 7, to grant full and independent copyright status to derivative works.

Nor is the Ninth Circuit's statutory construction supported by the language of section 24 of the Act. Section 24 does not subordinate the original or renewal copyright term in any work to that of another, much less terminate the rights of a derivative work owner upon the death of an underlying work's author before his work's renewal term. Indeed, section 24 does not even discuss the relationship between underlying and derivative works. It does no more than define the length of the original copyright term and then create a statutory hierarchy of people who may renew the copyright at the end of its original term.

The Ninth Circuit's decision, moreover, ignores this Court's mandate that the 1909 Act must be construed in a manner consistent with the statute's basic policies of promoting broad public availability of copyrighted works and stimulating creativity. Instead of promoting these policies, the Ninth Circuit's statutory construction defeats them. If allowed to stand, *Abend* will force *amici* and other motion picture owners, in order to avoid exposure to continuing copyright infringement liability, to withdraw

from future distribution all derivative motion pictures based on underlying works whose authors died before the underlying works' renewal terms. This inevitable result will deprive the public of access to hundreds of copyrighted derivative motion pictures – many of which are American film classics.

Abend, moreover, will discourage – rather than stimulate – creativity. In section 7, Congress promoted creative efforts by encouraging the use of existing copyrighted works, with the consent of their owners, in the creation of new works. In contrast, the Ninth Circuit's statutory interpretation builds into the statute a distinct disincentive to the creation of new derivative works. If *Abend* is allowed to stand, a motion picture producer will be unlikely to risk producing an expensive derivative motion picture knowing that the picture's two consecutive copyright terms could be snuffed out prematurely by the death of an underlying work's author before its renewal term.[15]

The Ninth Circuit's stated reasons for ignoring the statute's clear language and underlying policies do not support its statutory construction. The Ninth Circuit first relies on this Court's decision in *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960). *Miller Music*, however, is inapposite.

Miller Music involved only *one* copyrighted work, and merely held that the death of the work's author before its renewal term renders unenforceable the author's contractual assignment of the renewal copyright

---

[15] Indeed, motion picture producers would be unlikely even to risk the investment necessary to *acquire* motion picture rights in a pre-existing work during its initial copyright term if the right to seek continued economic returns from that investment could be terminated by the premature death of the pre-existing work's author. This reluctance would, in turn, lessen the opportunities of the work's author to realize economic benefits from the sale of such motion picture rights, a result directly at odds with the Copyright Act's policy of rewarding authors for their creative labors.

to a third party. In contrast, *Abend* involves *two* separately copyrighted works, the underlying short story and the derivative motion picture. The issue here, moreover, is not whether an author's *contractual* transfer of the renewal copyright in his underlying work is rendered ineffectual by the author's death before commencement of the renewal term. Rather, the issue is whether the death of an underlying work's author before renewal nullifies section 7's *statutory* grant of a separate copyright to derivative works that are both created with the author's consent during the underlying work's original term and distributed thereafter in strict conformance with the terms of that consent. Since *Miller Music* did not – as does this case – involve competing copyrights in underlying and derivative works, it did not resolve (indeed it could not have resolved) this latter issue.

The Ninth Circuit's reliance on legislative history is also misplaced. The Ninth Circuit notes that the legislative history establishes that an author's renewal copyright is contingent upon his surviving to the renewal term, and that his failure to survive to the time for renewal vests the renewal copyright in his statutory successors, thereby providing those successors a new (*i.e.*, a "second") chance to exploit that renewal copyright. This legislative history, however, like the holding in *Miller Music*, is relevant only to the issue concerning who owns the renewal copyright in the author's original work. It has no bearing upon the issue in this case, *i.e.*, whether the vesting of the contingent renewal right in the author's statutory successors nullifies the *separate* copyright granted by section 7 to derivative works created with the author's consent during the initial copyright term.

ARGUMENT

I.

SECTION 7 OF THE 1909 ACT CONFERS THE SAME EXCLUSIVE RIGHTS ON COPYRIGHTED DERIVATIVE WORKS AS IT CONFERS ON ALL OTHER COPYRIGHTED WORKS. THE NINTH CIRCUIT ERRED IN CONCLUDING THAT THE SECOND PROVISO OF SECTION 24 LIMITS THOSE RIGHTS

Like *Rohauer*, this case presents a conflict between the owners of two separate and distinct copyrights, the copyright in the derivative motion picture (and the renewal thereof), owned by petitioners, and the renewal copyright in the underlying short story, owned by respondent. Despite the fact that section 7 of the 1909 Act confers on derivative works, such as petitioners' multi-million dollar motion picture, all rights of "copyright under the provisions of this title" (17 U.S.C. § 7), the Ninth Circuit held that respondent's succession to the renewal copyright in Woolrich's short story permits respondent, under the provisions of sections 7 and 24 of the Act, to prevent petitioners from enjoying those rights.

In contrast, the Second Circuit in *Rohauer* held that sections 7 and 24 do *not* limit the copyrights conferred by section 7 on derivative motion pictures. As discussed below, *Rohauer's* interpretation of sections 7 and 24 is consistent with – whereas the Ninth Circuit's interpretation ignores – the governing statutory language.

A. The Statutory Language of Sections 7 and 24 Compels The Result In *Rohauer*, Whereas The Ninth Circuit's Decision in *Abend* Directly Conflicts With The Statutory Language.

Section 7 of the 1909 Act provides:

> "Compilations or abridgments, adaptations, arrangements, dramatizations, translations or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this title . . . "

This language is plain and direct. It unequivocally confers on derivative works produced with the consent of the owner of a copyrighted underlying work the same status as all other works of authorship, *i.e.*, that of "new works subject to copyright under *the provisions of this title.*" Those "provisions", in turn, include the exclusive rights conferred by section 1 of the 1909 Act to, among other things, distribute and publicly perform (*i.e.*, exhibit) the copyrighted derivative works. 17 U.S.C. §§ 1(a), 1(d). They also include the right to enjoy and exploit these exclusive rights for two consecutive twenty-eight year terms. 17 U.S.C. § 24 ("The copyright secured by this title shall endure for twenty-eight years . . . [plus] . . . a renewal and extension of the copyright . . . for the further term of twenty-eight years . . . ").[16]

By classifying derivative works in section 7 as new works subject to independent copyright under the provisions of "this title" – and then granting *all* copyrights under that "title" two consecutive twenty-eight year terms – Congress clearly intended derivative works to enjoy the same two terms of exclusive rights as are enjoyed by all other copyrighted works. *Rohauer's* construction of sections 7 and 24 gives effect to this unmistakable Congressional intent by permitting the creator of a copyrighted derivative work to exploit the work throughout its entire original and renewal copyright terms, unencumbered by potential copyright infringement claims by the owner of the separate renewal copyright in an underlying work whose author expressly consents to such exploitation, and then dies, before the underlying work's renewal term.

---

[16] The 1976 Act extended these two consecutive copyright terms for an additional 19 years for all works which were in their initial or renewal copyright terms as of January 1, 1978. 17 U.S.C. §§ 304 (a) and (b).

In contrast, *Abend's* interpretation of sections 7 and 24 utterly defeats Congress' intent that such derivative works enjoy the same two consecutive twenty-eight year copyright terms as enjoyed by all other copyrighted works. For, under the Ninth Circuit's statutory construction, the two consecutive terms of exclusive rights granted to the creator of a copyrighted derivative work will be prematurely extinguished upon expiration of the original copyright term in any underlying work whose author dies before the end of that original term.[17]

The pernicious consequences of the Ninth Circuit's erroneous statutory interpretation are graphically illustrated by the result below. Under the Ninth Circuit's construction, the copyright term for petitioners' 1954 motion picture, which otherwise would not have lapsed until 2010, came to an abrupt halt in 1970 upon expiration of the short story's original copyright term shortly after Woolrich's death. Instead of two consecutive twenty-eight year copyright terms, petitioners' motion picture received, according to the Ninth Circuit, only a *sixteen year* copyright term, a result directly at odds with the plain language of sections 7 and 24. It is no wonder that the commentators have described the statutory interpretation accepted by the Ninth Circuit as "perverse,[18] "anomalous,"[19] "odd and peculiar"[20] and "an anachronism"[21] that "does not make sense."[22]

---

[17] Under the *Abend* ruling, the term of the derivative work's exclusive rights will revive upon expiration of the twenty-eight year renewal term in the underlying work. But this will provide little solace to the derivative copyright owner, who by that time will have lost *twenty-eight years* from the life of the exclusive rights in his derivative work.

[18] B. Kaplan, *An Unhurried View of Copyright* 112 (1969).

[19] Note, *Renewal Rights, A Statutory Anachronism*, 10 W. Reserve L. Rev. 263, 272 (1959).

[20] S. Spring, *Risks & Rights* 95 (1956).

[21] Kupferman, *Renewal of Copyright – Section 23 of the Copyright Act of 1909*, 44 Colum. L. Rev. 712, 724 (1944).

[22] *Abend v. MCA*, Copyright L. J., Feb. 1989, at 14, 16, 17.

The Ninth Circuit attempts to justify its disregard of the statute's clear language on the grounds that "the traditional copyright rule provides that a derivative copyright protects only the 'new matter' contained in the derivative work, not the 'old matter'." (Pet. App. 26 n. 14).[23] The Ninth Circuit's reliance on this traditional rule misses the mark. The issue here is not whether the derivative work's copyright "protects" – and hence extends the copyright monopoly in – the old matter incorporated into the derivative work. Rather, the issue is whether the copyright in a derivative work created with the consent of an underlying work's author grants the derivative work owner the right to continue to employ the old matter integrated into his derivative work for the derivative work's full original and renewal copyright terms. The rule that a derivative copyright does not *protect* old matter simply has no relevance to the issue whether the derivative work owner may continue to *use* the old matter incorporated in his work for the full duration of its two consecutive copyright terms.[24]

---

[23] This traditional rule, codified in sections 3 and 7 of the 1909 Act (and in section 103(b) of the 1976 Act), prevents a derivative work from extending copyright protection for "old matter" beyond the limited period of the underlying work's initial and renewal copyright terms. *See* 1 M. & D. Nimmer, *Nimmer on Copyright* ("*Nimmer*"), § 3.04 (1988).

[24] A derivative work owner may not, of course, use – or allow others to use – his derivative work in a manner inconsistent with the terms of his license from the underlying work's author. *See, e.g., Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91, 93 (2d Cir. 1981); *Russell v. Price*, 612 F.2d 1123, 1127-28 (9th Cir. 1979), *cert. denied*, 446 U.S. 952 (1980); *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469, 472 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951). But petitioners' distribution of "REAR WINDOW" during the short story's renewal copyright term was not at all inconsistent with the license granted by Woolrich. Indeed, Woolrich expressly *consented* to distribution of petitioners' motion picture during his short story's renewal copyright term.

B. The Second Proviso Of Section 24 Does Not Support The Ninth Circuit's Construction Of The 1909 Act.

The Ninth Circuit rests its erroneous holding entirely on the second proviso of section 24. (See Pet. App. 18-25).[25] According to the Ninth Circuit, this statutory language not only vested the short story's renewal copyright in Woolrich's executor upon Woolrich's death (see note 13, *supra*), but also extinguished petitioners' rights to continue distributing and exhibiting their separately copyrighted motion picture during the story's renewal copyright term. As a result, holds the Ninth Circuit, respondent now owns, as the assignee of the renewal copyright in the story, an absolute right under section 24 either to veto the continued distribution and exhibition of petitioners' independently copyrighted motion picture, or to recover a judgment awarding him a substantial portion of the motion picture's revenues. (Pet. App. 18-25, 36). This holding is unsupported by the statutory language.

Section 24 – when read together with section 7's bestowal of independent copyright status on derivative works – clearly grants both to underlying works and to derivative works the rights to the same consecutive original and renewal copyright terms. The language of section 24 does not discriminate between such works in any way. It does not subordinate the original or renewal copyright term in *any* work to that of another, much less grant to an

---

[25] The second proviso of section 24 reads as follows:

> "The copyright secured by this title shall endure for twenty-eight years from the date of first publication . . . *provided further* . . . that . . . the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years . . . " (emphasis in original).

underlying work's renewal copyright owner the right to veto – or share in the revenues from – continued exploitation of independently copyrighted derivative works. Indeed, section 24 does not even *discuss* the relationship between underlying and derivative works. It does no more than define the length of the original copyright term and then create a statutory "hierarchy of people" who may renew the copyright at the end of its original term. *See Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. at 376. There is thus simply no basis in the language of section 24 for relegating the copyright term for a derivative work, created and distributed in conformance with the express consent of the underlying work's author, to second class status.

II.

ROHAUER'S STATUTORY CONSTRUCTION PROMOTES THE POLICIES OF THE 1909 ACT, WHEREAS *ABEND'S* INTERPRETATION OF THE STATUTE DEFEATS THOSE POLICIES

It is axiomatic that courts must construe the 1909 Act in a manner consistent with its basic policies. *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975); *see also Richards v. United States*, 369 U.S. 1, 11 (1962) ("in fulfilling our responsibility in interpreting legislation 'we must . . . look to the provisions of the whole law, and to its object and policy'" (citations omitted)). These policies, which stem from the Constitutional mandate that the purpose of federal copyright laws shall be "to Promote the Progress of Science and useful Arts" (U.S. Const., Art. I, § 8), have been succinctly summarized by this Court as follows:

> "The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. The immediate effect of our copyright law is to secure a fair return for an

> 'author's' creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good."
>
> *Aiken*, 422 U.S. at 156. (citations and footnotes omitted).

As discussed below, the construction of the 1909 Act adopted by *Rohauer* promotes these important policies, whereas *Abend's* interpretation of the statute defeats them.

A. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Fundamental Policy Of Insuring Broad Public Availability Of Copyrighted Works

The construction of the 1909 Act adopted by *Rohauer* permitted derivative work copyright owners to distribute their works to the public throughout their entire original and renewal copyright terms without interference by the statutory successors to renewal copyrights in underlying works. Free from the threat of infringement suits by such statutory successors, derivative motion picture copyright owners were encouraged by this statutory interpretation to continue making their derivative motion pictures available for viewing by the public. The end result was greater access by the public to these ever popular works, thereby satisfying one of the primary goals of the copyright law.

In contrast, *Abend's* statutory construction, if adopted by this Court, would have a directly opposite effect. Faced with the risk of lawsuits – which the result in *Abend* sanctions – for distributing derivative motion pictures based on underlying works whose authors died before their renewal copyright terms, *amici* and other motion picture copyright owners would be forced to withdraw such derivative motion pictures from distribution to avoid continuing liability for copyright infringement.[26] This inevitable result would deprive

---

[26] One commentator aptly calls this forced withdrawal from the marketplace of derivative motion pictures "copyright death." Nevins, *Rx for Copyright Death*, 1977 Wash. U.L.Q. 601.

the public of access to hundreds of derivative motion pictures – many of which are American film classics (*see* Background Facts, §A and note 11, *supra*) – and thus would frustrate the policy of the copyright law to encourage "broad public availability" of copyrighted works. *See Aiken*, 422 U.S. at 156; *Mills Music*, 469 U.S. at 176-77; *see also id.* at 186-87 (White, J., dissenting).[27]

The Ninth Circuit's opinion appears to recognize that a statutory construction with such an effect would be directly at odds with the policies underlying the copyright law. (*See* Pet. App. 27 n.15, 33). It concludes, however, that its interpretation of the copyright statute in this case will *not* force distributors to withdraw derivative motion pictures from the marketplace, reasoning that the motion picture copyright owner and the underlying work's renewal copyright owner will "likely" reach an economic accommodation permitting the motion picture owner to continue exploiting his work. (Pet. App. 27 n.15). This unsupported conclusion is mistaken for two reasons.

First, the Ninth Circuit ignores the fact that motion pictures frequently incorporate a great variety of copyrighted works in addition to novels or short stories. Often musical compositions, sound recordings, paintings, sculpture, photographs, famous characters from literature

---

[27] Ironically, only American motion picture audiences would be likely to be deprived under the *Abend* rule of continuing access to these American films. The United States Copyright law (including its renewal provisions) has no extraterritorial effect. 3 *Nimmer*, §17.10[B][2]. Accordingly, a contractual promise by an underlying work's author permitting distribution of a derivative motion picture during the underlying work's renewal term would be enforceable in foreign countries even if the author were to die before the renewal term. *Id.* Thus, if *Abend* is allowed to stand, the owner of such a derivative motion picture will likely be allowed to continue distributing his picture during the underlying work's renewal term everywhere except in America. *Id.*

and cartoons and many other copyrighted works are incorporated into a motion picture. *See, e.g., Cohen v. Paramount Pictures Corp.*, 845 F.2d 851 (9th Cir. 1988) (musical composition incorporated in motion picture); note 4, *supra*. Indeed, it is not at all unusual for a motion picture (especially one whose soundtrack contains several copyrighted musical compositions) to incorporate as many as ten or more pre-existing copyrighted works. An inability to identify and locate the statutory successor to the renewal copyright in even one of these underlying works would subject the motion picture owner to the same risk of copyright infringement liability as that faced by petitioners here.[28] Given the large number of underlying works, the lapse of time and the vagaries of private bequests and intestacy, it is virtually certain that motion picture copyright owners will be unable to find statutory successors to the renewal copyrights in one or more of these underlying works at the end of their respective initial copyright terms. To avoid copyright liability to these anonymous successors, the motion picture copyright owner will have no reasonable choice but to withdraw his derivative motion picture from distribution. *See Cohen, supra.*[29]

---

[28] *See* Nevins, *supra* note 26, at 607 n.40.

[29] As *Rohauer* recognized, there is nothing the derivative work owner can effectively do to protect himself *in advance* of the underlying work's renewal term against such "copyright death," because there is no way of telling who will qualify as the statutory successor to the underlying work's renewal copyright until the renewal term commences. *Rohauer*, 551 F.2d at 493; Bricker, *Renewal and Extension of Copyright*, 29 S. Cal. L. Rev. 23, 33 (1955). The Ninth Circuit's interpretation of the copyright statute's renewal provisions (as embodied in both section 24 of the 1909 Act and section 304 (a) of the 1976 Act) thus builds a substantial amount of uncertainty into the statute. This result is directly at odds with Congress' "paramount goal" in passing the 1976 Act, namely "enhancing predictability and certainty of copyright ownership." *Community For Creative Non-Violence v. Reid*, 109 S.Ct. 2166, 2177 (1989).

Second, despite the Ninth Circuit's optimism, it simply cannot be safely predicted that the statutory successors to the renewal rights in the underlying works on which a motion picture is based will "likely" reach an economic accommodation with the motion picture copyright owner for the continued exploitation of the motion picture. Some owners of underlying work renewal copyrights may refuse to negotiate, preferring instead to retire their copyrighted works, and all derivative works based thereon, from public use.[30] Others may make demands – like respondent's demand for 50% of petitioners' future gross proceeds in excess of advertising expenses (Petition 20) – which are so exorbitant that a negotiated economic accommodation will be impossible. In either case, to avoid copyright infringement liability, the derivative motion picture copyright owner will be forced to withdraw his film from distribution until the underlying work's renewal copyright expires.[31] Reversal of *Abend* is necessary to avoid such a calamitous result.[32]

---

[30] *See, e.g., Fox Film Corporation v. Doyal*, 286 U.S. 123, 127 (1932) ("The owner of the copyright, if he pleases, may refrain from vending or licensing and content himself with simply exercising the right to exclude others from using his property").

[31] The Ninth Circuit's suggestion that continued distribution of such motion pictures will not necessarily be *enjoined* (Pet. App. 31-36) is no solution to this dilemma. The *in terrorem* effect of potentially huge awards of damages, profits and attorneys fees (17 U.S.C. §§ 503, 505) will force the withdrawal of these films from distribution as surely as will an injunction.

[32] Motion pictures are not the only works whose continued distribution will be affected by the Ninth Circuit's opinion. While motion pictures are virtually always derivative, and thus particularly susceptible to "copyright death" (see note 26, *supra*), they are hardly the only works which would be put at risk if the Ninth Circuit's opinion stands. Copyrighted plays adapted from copyrighted novels, copyrighted educational

(Continued on following page)

B. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Important Policy Of Stimulating Artistic Creativity.

In section 7, Congress promoted the copyright law's policy of stimulating creative efforts by encouraging the use of existing copyrighted works, with the consent of their owners, in the creation of new works. In so doing, Congress provided a mechanism by which the public storehouse of creative works could be built upon and expanded for the public good.

The Ninth Circuit's interpretation of the 1909 Act seriously impinges on this salutary policy goal by building into the Act a distinct disincentive to the creation of derivative works.[33] For, a motion picture producer would rarely, if ever, choose to produce a motion picture based on a copyrighted underlying work if his right to distribute that motion picture during its full original and renewal copyright terms could be snuffed out prematurely by the death of the author of the underlying work before commencement of the underlying work's renewal term. Indeed, in this case, if Alfred Hitchcock

---

(Continued from previous page)

texts which incorporate copyrighted articles and essays, copyrighted sound recordings of copyrighted musical compositions, and copyrighted computer programs adapted from pre-existing copyrighted software, to name just a few examples, would be equally susceptible to just this sort of "copyright death." Reversal of the Ninth Circuit's opinion is thus vital for the protection and public enjoyment of a wide array of copyrighted derivative works in addition to motion pictures. *See, e.g., Mills Music*, 469 U.S. at 158 (one 1923 song licensed over 400 times to record companies to prepare derivative works).

[33] As noted above, future derivative works based on underlying works that were in their initial copyright term as of January 1, 1978 will also be governed by the Court's interpretation of the 1909 Act in this case. See note 12, *supra*.

had known that his right to distribute and exhibit "REAR WINDOW" might terminate after only sixteen years were Woolrich to die before the renewal term in the short story, he might never have made the motion picture; and, the public would have been deprived of the unique blend of talents of Hitchcock, James Stewart and Grace Kelly which the motion picture represents.

In sum, the Ninth Circuit's interpretation of the 1909 Act, which so demonstrably discourages the use of existing works in the creation of new works, is directly contrary to the obvious purpose of section 7 and to the copyright law's underlying policy of encouraging the creation of new artistic works. It was hence properly rejected by *Rohauer*, and should be rejected by this Court.

C. *Rohauer's* Statutory Construction Promotes – Whereas *Abend's* Construction Defeats – The Copyright Act's Policy Of Rewarding Authors For Their Creative Efforts.

By encouraging the use of existing copyrighted works in the creation of derivative works, *Rohauer's* interpretation of the 1909 Act not only promoted the Act's policy of stimulating creativity, it also increased an author's chances of reaping continuing financial rewards from his creative work during his lifetime. Under *Rohauer*, motion picture producers were willing to and did, purchase rights to produce derivative motion pictures based on existing works – even works whose initial copyright terms had but a few years remaining and whose authors, by reason of age or ill-health, stood a substantial risk of dying before the end of that initial term. This practice not only promoted the Copyright Act's policy of rewarding authors of copyrighted works for their creative efforts, but it also made these rewards possible at a time when the authors had the greatest need for this supplemental income.

In contrast, *Abend's* statutory interpretation, if allowed to stand, would deprive the author of a copyrighted work of the opportunities to achieve these additional financial rewards for his creative labors during his work's initial copyright term. For, as noted above (§II.B., *supra*), a motion picture producer will be unlikely to purchase the right to produce a motion picture based on an existing work – particularly one near the end of its initial copyright term – if the producer's right to distribute that motion picture during its full original and renewal copyright terms could be extinguished by the death of the existing work's author before the end of its initial copyright term. This negative economic impact on authors of copyrighted works, which is so at odds with the Copyright Act's policy of rewarding authors for their creative work, further substantially undermines the Ninth Circuit's interpretation of the 1909 Act.

III.

THIS COURT'S DECISION IN *MILLER MUSIC CORP. V. CHARLES N. DANIELS, INC.* DOES NOT SUPPORT THE NINTH CIRCUIT'S INTERPRETATION OF THE 1909 ACT

Despite the complete absence of any statutory language or underlying policy considerations supporting *Abend's* contruction of the 1909 Act, the Ninth Circuit asserts that this Court's decision in *Miller Music Corp. v. Charles N. Daniels, Inc., supra*, provides authority for its statutory interpretation. In *Miller Music*, the Court held that an author's transfer of ownership of the renewal copyright in his work is unenforceable against the statutory successors to the renewal copyright if the author dies before commencement of the renewal term. 362 U.S. at 375-78.[34] Under the Ninth Circuit's reading of *Miller*

---

[34] In so ruling, the Court explained that the language of section 24 makes the author's renewal right contingent upon

(Continued on following page)

Music, however, the contingent nature of an author's renewal copyright not only renders unenforceable the author's *contractual* transfer of the renewal copyright if he dies before renewal, but also nullifies section 7's *statutory* grant of a separate and independent copyright to derivative works produced with the author's consent during the underlying work's original term. This reading of *Miller Music* is erroneous.

Miller Music involved a dispute over ownership of the renewal copyright in a song whose author died before commencement of the renewal term. Plaintiff claimed to own the renewal copyright by virtue of an assignment executed in its favor by the song's author. Defendant claimed ownership under an assignment executed by the persons designated by section 24's second proviso as the statutory successors to the renewal copyright upon the author's death. The case did *not*, however, involve either a derivative work or an interpretation of section 7. Thus, as *Rohauer* properly observed in distinguishing *Miller Music*, the Court in *Miller Music* merely addressed "the relative rights of persons claiming full assignment . . . of the renewal term" of a *single* copyrighted work. *Rohauer*, 551 F.2d at 490.

In contrast here, as in *Rohauer*, two separately copyrighted works, each capable of being renewed under section 24, are involved. As Judge Thompson's dissent explains, this distinction "is an important one." (Pet. App. 45). Where, as here, two valid and separately owned copyrights are involved, the Court must determine whether the statutory rights of one copyright owner are subordinate to the statutory rights of the other. But where

---

(Continued from previous page)

his surviving to the time for renewal. 362 U.S. at 375-78. If the author dies before the time for renewal, the contingency does not occur and, therefore, the renewal right vests in the author's statutory successors rather than in the author or his assignee. *Id.*

only one copyright is involved – as was the case in *Miller Music* – the primacy of competing statutory rights is not in issue; the Court's only concern is who owns the statutory rights in the single work in dispute. *Id.; see also Rohauer,* 551 F.2d at 490.[35]

Because neither competing copyrights nor an interpretation of section 7 was involved in *Miller Music,* it is clear that *Miller Music* did not resolve – indeed it could not have resolved – the question whether an author's death before the renewal term in his copyrighted underlying work voids, during that entire twenty-eight year renewal term, all of the rights granted by sections 7 and 24 to the creator of an independently copyrighted derivative work. Accordingly, *Miller Music* provides no support for the Ninth Circuit's erroneous interpretation of sections 7 and 24.

---

[35] The Ninth Circuit found this distinction "unconvincing" (Pet. App. 22), reasoning that if an author's death before his work's renewal term renders a transfer of the full renewal rights unenforceable, it must also render unenforceable "an assignment of part of the rights in the underlying work, the right to produce a movie version" during the underlying work's renewal term. (Pet. App. 24-25). This reasoning betrays a fundamental misunderstanding of the issue in this case. The issue is not whether Woolrich's death renders unenforceable his contractual permission *to produce* a movie version of his story during its renewal term. Rather, the issue is whether Woolrich's death before the story's renewal term nullifies section 7's statutory grant of full and independent copyright status (which includes the rights to two consecutive twenty-eight year terms) to the derivative motion picture. The rule that an author's death before renewal terminates his assignee's *contractual* right to produce new derivative works during the renewal term simply has no relevance to the issue whether the author's death before renewal nullifies section 7's *statutory* grant of rights to derivative works that are both created with the author's consent during the original term and distributed thereafter in strict conformance with the terms of that consent.

IV.

THE LEGISLATIVE HISTORY OF SECTION 24 DOES NOT SUPPORT THE NINTH CIRCUIT'S PURPORTED CONSTRUCTION OF THAT SECTION

Unable to find any support for its interpretation of sections 7 and 24 in the statutory language, the Ninth Circuit purports to rely on legislative history. (Pet. App. 25, 28-29). The Ninth Circuit first observes that this history demonstrates that Congress intended section 24 to grant an author only a contingent interest in the renewal copyright in his work, which does not vest in the author unless he survives to the renewal term. (Pet. App. 25). This observation, although accurate, is irrelevant. For, the issue here is not whether an author's renewal right is contingent; rather, the issue is whether the vesting of this contingent right in the author's statutory successors upon his death nullifies the *separate* copyright granted by section 7 to derivative works created with the author's consent during the initial copyright term. Nothing in the legislative history suggests that the contingent nature of an author's right to renew his copyright in an underlying work also renders contingent the rights of a derivative work owner to enjoy his *separate* copyright for its full original and renewal terms.[36]

---

[36] Similarly unavailing is the Ninth Circuit's attempt to rely on section 24's treatment of composite works. The Ninth Circuit states that section 24 "exempted" composite works from the contingent "aspect" of the renewal provisions of the statute, but "did not include a similar exemption for derivative works." (Pet. App. 25). This analysis is erroneous. Section 24 neither contains such an "exemption" nor treats composite works differently from derivative works.

A composite work typically is a work consisting of a collection of individual contributions by several different authors. *See* 2

(Continued on following page)

The Ninth Circuit next observes that the legislative history of section 24 demonstrates that Congress intended section 24 to grant an author's statutory successors a "second chance" to exploit during its renewal term a copyrighted work which has remained popular, and hence economically successful, beyond its initial

---

(Continued from previous page)

Nimmer, § 9.03[B] at 9-33. These contributions are of two types: (i) previously *un*published – and, hence, *un*copyrighted – material (*see* 17 U.S.C. § 10) and (ii) previously published, copyrighted material. (*Id.*) Under the first proviso of section 24, the proprietor (*i.e.*, owner) of the copyright in a composite work which contains only previously unpublished, uncopyrighted contributions owns the renewal copyright in *all* of the contents of the composite work, including each individual contribution contained therein. 17 U.S.C. § 24 (first proviso); 2 *Nimmer*, § 9.03[B] at 9-36. Although the Ninth Circuit apparently views this first proviso as an "exemption," it fails to understand that where a composite work consists entirely of previously *un*copyrighted material, competing copyrights are not involved, and there is thus no need to "exempt" the composite work copyright owner from anything. (The law regarding derivative works based on previously *un*copyrighted underlying works is the same. *See* 1 *Nimmer*, § 3.07[C] at 3-36-3-38). In contrast, if an individual contribution to a composite work was first published and copyrighted by its author *before* its inclusion in the composite work, only the author (or his statutory successors) – not the composite work proprietor – may renew the copyright in that individual contribution. 17 U.S.C. § 24 (second proviso); 2 *Nimmer*, § 9.03[B] at 9-36. In such a case, as in the instant litigation, competing renewal copyrights *are* involved; the so-called "exemption" contained in sections 24's first proviso does not apply (nor, in light of the clear language of section 7, is such an "exemption" needed); and, the composite work is therefore treated in the same manner as a derivative work (*see, e.g.*, 17 U.S.C. § 7). There is thus no basis for the Ninth Circuit's conclusion that Congress treated composite works incorporating previously copyrighted works differently than it treated derivative works, much less for the Ninth Circuit's conclusion that Congress' treatment of composite works supports its erroneous statutory construction.

twenty-eight year copyright term. (Pet. App. 28). The Ninth Circuit then erroneously concludes that Congress' bestowal of this "second chance" on the statutory successors not only terminates a deceased author's outright transfer of the renewal copyright in his underlying work, but also terminates the right of a derivative work owner to exploit, after the underlying work author's death, his separately copyrighted derivative work for its full original and renewal copyright terms. *Id.*

The fallacy in the Ninth Circuit's reasoning is that it confuses the right of an author's statutory successors to exploit his underlying work after its renewal with the right of the derivative work owner to exploit his independently created and separately copyrighted work. As the legislative history makes clear, respondent, as the assignee of Woolrich's statutory successor, unquestionably has the right to exploit (by sale or further licensing) Woolrich's *short story*. He also has the right to produce – or to grant others the right to produce – *new* derivative motion pictures based on the story. This is the "second chance" guaranteed by section 24. But this is not what respondent seeks in this lawsuit. Rather, he seeks to use his renewal copyright in the short story to control, through the threat of an injunction and a disproportionately large damage award, the exploitation of petitioners' *existing* motion picture – a separately copyrighted work which represents an investment of countless hours and millions of dollars by its creators, and in which neither Woolrich nor his executor nor respondent risked one penny. There is nothing in the legislative history of section 24, however, that indicates that Congress intended to grant a veto power over a copyrighted derivative work to the statutory successors to an underlying work's renewal copyright. Indeed, the Ninth Circuit does not cite any legislative history which even mentions this

issue. The Ninth Circuit's reliance on legislative history thus fails to support its interpretation of section 24.[37]

CONCLUSION

For all of the foregoing reasons, *amici* respectfully submit that the Ninth Circuit's judgment and opinion in *Abend* should be reversed.

DATED: November 16, 1989.

Respectfully submitted,

STEPHEN A. KROFT
(Counsel of Record)
KELLY W. KAY

Attorneys for Amici Curiae

Of Counsel
Rosenfeld, Meyer & Susman

---

[37] Nor is there any merit in the Ninth Circuit's attempt to rely on Congress' "awareness" of the so-called "prevailing view" of the 1909 Act that supposedly existed when Congress enacted the 1976 Act. (Pet. App. 30-31). As noted above (see note 9, *supra*), this "view" was the subject of strong debate in 1976, and no court prior to *Abend* ever adopted it. Moreover, even if, as *Abend* suggests, Congress in 1976 had purported to construe the 1909 Act in accordance with this "view" (the 1976 Congress did no such thing – see Br. for Pet. at 38-39), its attempt to do so would be of no consequence. *See U.S. v. Southwestern Cable Co.*, 392 U.S. 157, 170 (1968) ("the views of one Congress as to the construction of a statute adopted many years before by another Congress have very little, if any, significance").